

DEPT. OF MEDICAL ASSISTANCE SERVICES
Methods and Standards for Establishing Payment Rates—
Other Types of Services Fee for Service Providers
State Agency Fee Schedule for RBRVS.
12 VAC 30-80-190.

12VAC30-80-190. State agency fee schedule for RBRVS.

1. Reimbursement of fee-for-service providers. Effective for dates of service on or after July 1, 1995, the Department of Medical Assistance Services (DMAS) shall reimburse fee-for-service providers, with the exception of home health services (see 12VAC30-80-180), using a fee schedule that is based on a Resource Based Relative Value Scale (RBRVS).

2. Fee schedule.

A. For those services or procedures which are included in the RBRVS published by the ~~Health Care Financing Administration (HCFA)~~ Centers for Medicare and Medicaid Services (CMS) as amended from time to time, DMAS' fee schedule shall employ the Relative Value Units (RVUs) developed by ~~HCFA-CMS~~ as periodically updated.

B. DMAS shall calculate the RBRVS-based fees using conversion factors (CFs) published from time to time by ~~HCFA CMS~~. DMAS shall adjust ~~HCFA's CMS'~~ CFs by an additional factor so that no change in expenditure will result solely from the implementation of the RBRVS-based fee schedule. DMAS may revise the additional factor when ~~HCFA CMS~~ updates its RVUs or CFs so that no change in expenditure will result solely from such updates. Except for this adjustment, DMAS' CFs shall be the same as those published from time to time by ~~HCFA CMS~~. The calculation of the additional factor shall be based on the assumption that no change in services provided will occur as a result of these changes to the fee schedule. The determination of the "additional factor" required above shall be accomplished by means of the following calculation:

1. The estimated amount of DMAS expenditures if DMAS were to use Medicare's RVUs and CFs without modification, is equal to the sum, across all procedure codes, of the RVU value published by the ~~HCFA CMS~~, multiplied by the applicable conversion factor published by the ~~HCFA CMS~~, multiplied by the number of occurrences of the procedure code in DMAS patient claims in the most recent period of time (at least six months).

2. The estimated amount of DMAS expenditures, if DMAS were not to calculate new fees based on the new ~~HCFA CMS~~ RVUs and CFs, is equal to the sum, across all procedure codes, of the existing DMAS fee multiplied by the number of occurrences of the procedures code in DMAS patient claims in the period of time used in subdivision 1 of this subsection.

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3. The "additional factor" is equal to the ratio of the expenditure estimate (based on DMAS fees in subdivision 2 of this subsection) to the expenditure estimate based on unmodified ~~HCEA~~ CMS values in subdivision 1 of this subsection.

C. For those services or procedures for which there are no established RVUs, DMAS shall approximate a reasonable relative value payment level by looking to similar existing relative value fees. If DMAS is unable to establish a relative value payment level for any service or procedure, the fee shall not be based on a RBRVS, but shall instead be based on the previous fee-for-service methodology.

D. Fees shall not vary by geographic locality.

E. The RBRVS-based fees shall be phased in over three years. During the first 12 months of implementation, fees shall be based 1/3; on RBRVS-based fees and 2/3; on previously existing fees. During the second 12 months of implementation, fees shall be based 2/3; on RBRVS-based fees and 1/3; on previously existing fees. Thereafter, fees shall be based entirely on RBRVS-based fees.

F. Beginning with dates of service on or after September 1, 2004, fees calculated through Sections A-E above for CPT codes 99281, 99282, 99283, 99284, and 99285 shall be increased by 2 percent. This increase shall not be considered in the determination of the "additional factor" described in Section B above. These CPT codes shall be as published by the American Medical Association in its Current Procedural Terminology (2004 edition), as may be amended from time to time.